

Translating Plain English: Can the Peterborough Social Impact Bond Construct Apply Stateside?

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In September 2010, the United Kingdom government partnered with Social Finance, Ltd. to break new ground in financing for the nonprofit sector with its pilot program to reduce recidivism in the Peterborough prison. Dubbed the “Social Impact Bond,” or SIB for short, the instrument links private capital to the success of social programs. As announced by the British government at the time:

[The] SIB pilot is the first scheme in the world that has used new funding from investors outside government to reduce reoffending with offenders. Investors will only receive returns on their investment from the Ministry of Justice if they reduce reoffending by a set amount.¹

The SIB uses private sector capital to fund social programs that have proven to be successful. As constructed, the government agrees to repay the investors if the program succeeds in achieving agreed upon outcomes. In only stipulating desired results, the government grants investors and service providers independence to design, implement and manage the program execution.

So why do we care? By tapping the private sector, the SIB offers a unique opportunity to expand the available capital for the social sector. In their 2010 report, Hope Consulting’s research estimated that there is over \$120 billion in untapped interest in impact investing by individuals in the U.S.² And in paying for programs that have documented successful outcomes, the government sector uses its limited capital resources much more efficiently. For example, today, in the U.S. taxpayers expend over \$6 billion annually to incarcerate youths, with no measurable benefit in improving the lives of these young individuals.³ Imagine if a portion of these monies could be redirected towards programs that have proven, through scientific studies to reduce the likelihood of re-offending, putting the individuals onto a path for a more productive life. SIBs have the potential to do just that. As a result, SIBs not only expand the capital available to the social sector but in these fiscally challenged times, allow the government sector to more effectively manage taxpayer dollars.

1 “Minister Launches Social Impact Bond Pilot.” Press Release. London: Ministry of Finance, September 10, 2010.

2 Hope Neighbor, “Money for Good: The US Market for Impact Investments and Charitable Gifts from Individual Donors and Investors.” Hope Consulting. San Francisco: May 2010.

3 “The Cost of Confinement: Why Good Juvenile Justice Policies Make Good Fiscal Sense.” Justice Policy Institute. Washington, D.C: May 2009.

There are several factors that make this funding construct intriguing. In structuring the bonds, “social impact” becomes a proxy for traditional financial outcomes such as net profit. Private investors initially fund the bonds, and the U.K. government only repays the bondholders if targeted outcomes are achieved. As a result, the private sector underwrites the performance risk, alleviating the government’s exposure to commit resources to programs that differ from existing approaches. By applying external and rigorous analytics to audit the intervention, the government and investors can independently verify the program’s outcomes.

Compared with traditional social program funding, SIBs shift performance risk to the private sector. Investors, who have assumed this risk, have the opportunity for a return on their capital and the ability to redeploy that capital. If the Peterborough program is successful, the fiscal cost of incarceration can be reduced, for example, generating savings for the U.K. government and taxpayers. Programs that succeed will attract additional capital, allowing replication throughout the country. Failed programs will eventually lose funding as capital is redirected to more effective programs.

A key distinction from philanthropic grants is the use of evidence-based social metrics as a means to replicate the financial metrics that are applied in the traditional capital markets (such as Net Profit and Earnings Before Interest, Tax, Depreciation and Amortization [EBITDA]). Such social metrics permit an evaluation of the underlying performance of social programs, allowing capital to flow to those organizations with successful outcomes.

In light of this innovative demonstration of SIBs, this paper explores several questions:

- What is the U.K. Social Impact Bond? What does it offer the social sector?
- How can SIBs be constructed in order to balance the priorities of the government, investor and service provider, and in doing so, redefine traditional relationships between these players?
- Can this construct apply to the United States, and if so, what must we consider to maximize its value?

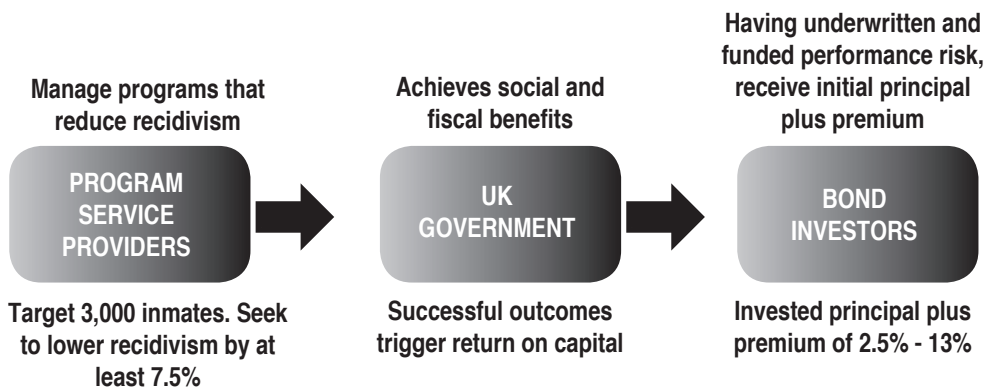
Ultimately, we believe that SIBs can be applied effectively in the United States. Given SIB’s singular focus on outcomes, the construct can accelerate a transformation toward *funding what works* and help drive an expansion of capital for the social sector.

The Peterborough SIB

Working with a group of social service agencies, philanthropic organizations, and Social Finance, Ltd., the U.K. government developed a pilot program to reduce re-offending by convicts. The program works with a target population at the Peterborough Prison, north of London. To fund the program, charities raised £5.00 million (roughly \$8 million). The parties agreed to performance metrics, with a goal to reduce recidivism within the pilot population by 7.5 percent. To isolate a direct causal effect of the intervention, control groups were established at 30 other similar prisons.

Figure 1 illustrates the basic concept of the Peterborough pilot. The six-year SIB pilot program will prepare approximately 3,000 short-term prisoners for their lives post-release and will work with them to prevent a return to a life of crime. If these services are successful and re-offending drops by more than 7.5 percent within six years, investors receive a pre-determined payment representing a share of the cost savings for the government. Should the rate be achieved, the first payout to the bond investors would occur in June 2013. The payout to investors increases as the re-offending rate declines, with investors' return capped at 13 percent.⁴

Figure 1. Basic SIB Mechanics



** Benchmarked through longitudinal study to baseline and comparative populations*

One of the key successes of the Social Finance (SF) construct in the United Kingdom is the move to expand beyond traditional government performance-based contracting. As cited in their August 2009 paper, *Social Impact Bonds: Rethinking Finance for Social Outcomes*, SF makes the following comparison:

Outcome payments are made annually in arrears in proportion to the outcomes achieved according to a pre-agreed metric of success (e.g. the proportion of prison leavers that reoffend within 12 months of release). The value of the outcome payments, linked to the corresponding cost savings to Government, is agreed at the beginning of the contract period. To disincentivise ‘cherry picking’ of the easiest to work with individuals from the target population, outcome payments may increase with successive percentage point improvements in the target outcome in recognition of the increasing marginal cost (and benefit) of each incremental improvement.⁵

4 Emily Bolton, “Social Impact Bonds: Unlocking Investments in Rehabilitation.” Social Finance, Ltd. London: September 2010.

5 Social Finance, Ltd., “Social Impact Bonds: Rethinking Finance for Social Outcomes.” August 2009.

With this approach, the bonds have potential returns of 2.5 percent to 13 percent. The return rates increase in step with the improvements in recidivism. The rates reflect the desire to provide an acceptable rate of return, while recognizing the government's desire to recapture a material portion of the fiscal savings that such a program can provide.

Where to From Here?

The Peterborough pilot took two years to formulate. Although this may be an intimidating timeframe, it is not surprising considering the myriad players and factors. Breaking new ground requires new language; redefining and realigning long-held relationships. The critical question is, what makes a program a good candidate for the SIB concept? Answering such a question uncovers the standards for replication.

We offer five factors that made the Peterborough program a good candidate for the SIB concept:

1. **It had a definable and relevant impact metric.** In this case, the starting metric was the current Peterborough Prison recidivism rate for short-term male inmates. This rate had already been measured and was easily compared against peer prisons. As the government stated, the program's targeted outcome is *"...to prevent a return to a life of crime"* – a highly relevant social agenda.

2. **There was a targetable audience for an intervention program.** Interventions map cleanly into "whole prison" populations. The ability to track the performance of this population against peer prisons gives all parties confidence in the outcome metrics. This overcomes issues related to potential "creaming" of the easy-to-serve prisoners.

3. **Investors could be confident in its impact.** Interventions used at Peterborough already exist and have been evaluated with promising results. For bond investors to put money at risk, there must be existing evidence demonstrating efficacy of the program.

4. **A cost-benefit ratio could be defined.** By targeting recidivism, the bondholders selected an outcome that directly relates to potential savings. For the government, reducing recidivism directly generates savings through lower prison operating costs and ultimately, the closing of prisons. Therefore, evaluators can directly measure the fiscal savings relative to the cost of the programs.

5. **There are cashable benefits.** Prison budgets benefit directly from lower recidivism rate (variable costs and, at scale, ability to close prisons). By lowering the costs of serving this population, the government saves money. Thus, the government can (a) use a portion of the savings to repay the bond holders, (b) address fiscal issues (lower taxes or reduce budget deficits); and/or (c) redirect public resources to other impact-oriented social programs.

The Peterborough pilot offers a good template for replication in the United States. There are differences in tax regimen, the legal system, and the state role in funding and administering many social benefits. These factors must be considered in designing an SIB for the U.S. market. None of these differences, however, have limited the cross-fertilization of other financial products over the years. It will take work, and one should not assume that developing the first SIBs in the United States would take any less time than the Peterborough experience.

What It Will Take to Make SIBs Work in the United States

One of the most important criteria of a social impact bond is that it *creates incentive for social impact*. Within the SIB construct, investors who back programs with positive social impact are rewarded, accelerating a mind-shift from traditional philanthropy to *funding-what-works*. Low performers will eventually lose funding as investors seek to direct capital toward building greater evidence of impact.

In “Making the Case for Social Metrics and Impact Investing,” Margot Bradenberg of the Rockefeller Foundation correctly states that for the sector to grow, impact finance needs to move toward standardized and trustworthy metrics.⁶ SIB’s use of metrics based upon measurable outcomes addresses her concerns. Distinguishing low- from high-impact social programs (or as Bradenberg calls it “distinguishing apples from oranges”) is possible because SIB calls for ongoing “embedded” evaluation systems as opposed to episodic “snapshots” of historical performance. A single shared impact metric, such as reduced recidivism, is used to judge performance, allowing multiple programs to collaborate to achieve impact. Again following on Bradenberg’s concerns for the sector, by taking such a standardized approach, SIBs seek to avoid the complexities, costs, and expert staffing that would limit the development of social impact financings.

Although government contracts with multiple programs could prove bureaucratically complex and confusing, SIBs actually reduce bureaucracy as providers contract with an intermediary nongovernmental agency instead of the government. The intermediary then acts as the sole interface to government, reporting on impact metrics and facilitating distribution of government savings. By taking the government out of a direct relationship with providers, SIBs transfer the risk of low performance to the private investors and require government payouts only when interventions reduce taxpayer burden.

On a positive note, the current administration appears receptive to a concept similar to social impact bonds. The most recent budget proposal allocates \$100 million for **“pay for success” programs**, or initiatives that mirror the U.K. construct.⁷ For the remainder of this paper, these terms will be used interchangeably in support of the transition of the SIB concept to the US.

Finally, tapping into private finance provides a foundation for social impact bonds or pay for success programs to develop a performance-driven social capital market in the United States. With experience and the development of a track record, bond risk should decline, further expanding the appetite for the bonds.

6 Margot Bradenberg, “Making the Case for Social Metrics and Impact Investing,” Federal Reserve Bank of San Francisco: *Community Development Investment Review*, vol. 6, no. 1, 2010.

7 David Leonhardt, “For Federal Programs, A Taste of Market Discipline,” *The New York Times*. New York: 8 February 2011.

A Cornerstone on which to Develop SIBs, or “Pay for Success” Programs in the U.S.

While the UK’s Peterborough program has set the template for SIBs, the concept is not new to the U.S. At the America Forward’s annual meeting, The Gathering, the basic framework for a SIB construct was laid out by George Overholser. In a speech at the 2007 Gathering, he discussed the need for “social investments with measurable returns.”⁸ Overholser also framed a government guarantee mechanism based on rigorous adherence to programs that have documented impact, and has now founded Third Sector Capital Partners as an intermediary focused on implementing rigorous pay for success programs in the US.

Several arrangements that resemble SIBs have already been designed and implemented in the United States. Program Related Investments (PRIs) were established in the late 1960s and have allowed the social sector to attract over \$3.7 billion in just the last twenty years.⁹ Under PRIs, the U.S. social sector has become accustomed to structuring social programs that provide financial returns. However, the investor return for PRIs is typically based on noncontingent payments. A key differentiator with SIBs is that program related investments do not stipulate measurable social outcome metrics, rather the investment’s primary purpose must be to advance the foundation’s charitable objectives. In addition, the PRI is designed to attract philanthropic dollars, not private-sector capital.

Government pay-for-performance contracts have established contingency based payments. Although pay-for-performance contracts drive the necessary accountability, the arrangements have not been developed to attract private-sector capital. In addition, these contracts traditionally stipulate the program design, rather than leave implementation to the investors and service providers as is the case with SIBs.

There have also been efforts to use private-sector capital to pre-fund services for the government. Legal contracts, however, must adhere to a strong and clear definition of outcomes if this is to work. Without clarity among parties, and contracts that document the relationships, the ability to ensure investor returns is limited.

Targeting Pay for Success Program Applications in the U.S.

An American Pay for Success program will not solve all the capital needs of the social sector. At a developmental stage, it is best to apply SIBs to certain sectors, which share specific characteristics. We at Third Sector Capital Partners believe that the criteria for an appropriate investment candidate at this time include:

Fit with Issue-Area Priorities: As the bonds unite private investors or philanthropists with government entities, alignment with issue areas is critical. Sectors such as education and workforce development are two areas in which local and federal governments have a vested

8 George Overholser, “Envisioning a \$1 Billion Social Investment Fund.” Presented at America Forward’s “Gathering of Leaders”. Miami: February 2007.

9 Lawrence, Stephen. “Doing Good with Financial Assets: An Updated Look at Program-related Investments”. Excerpt from the PRI Director, 3rd Edition. Foundation Center: 2010. http://foundationcenter.org/gainknowledge/research/pdf/pri_directory_excerpt.pdf.

interest in both increasing social outcomes and the efficiency of public funds spent. Strong government benefits will help attract public sector partners.

Likelihood of Achieving the Social Impact Goal: For investors to take the risk on a SIB, they must be convinced of its potential success. Likelihood of success is determined in part by the proposed investment's track record of impact compared with counterfactuals, as well as the *quality of evidence* of social outcomes. For the bond design, similar rigor must be brought to impact measurement, including large sample sizes and a strong system of data capture. An area with social impact potential is Multi-systemic therapy, which offers a promising track record of redirecting high-risk youth. With more than 30 years of research and top tier evidence of positive results, juvenile redirection offers great potential for a pay for success program.¹⁰

Attractive Proposition to Government: Any bond prospect must have fiscal benefits and social outcomes to be an attractive proposition to government. For example, one promising sector for a pay for success program is healthcare, particularly senior home care. Investing in successful senior programs could generate much-desired savings for Medicare and Medicaid, particularly as the population ages. Such tangible benefits will allow government agencies to commit to definitive, ratified, and binding contracts with intermediaries and ensure a fully committed source of public payments throughout the full investment timeframe. Jeff Liebman provides an exceptional analysis of government challenges and incentives working with the social impact bond construct in his recent paper titled "Social Impact Bonds: A Promising New Financing Model to Accelerate Social Innovation and Improve Government Performance" published by the Center for American Progress.

Financial Characteristics: As private investors bear the most financial risk, it is important to develop deals with compelling benefit-to-cost ratios. Targeting a 3:1 benefit-cost ratio could generate an internal rate of return for the investor of 10 percent, and simultaneously provide fiscal savings. Investors must be convinced that the savings generated to government are "cashable"—that there is a specific government entity enjoying the fiscal savings and, hence, is willing and able to make payments to investors if the underlying programs achieve the agreed upon outcomes.

Prospects for Replication: Early deals will require a significant amount of collaboration and legal preparation, and each deal should be capable of being replicated in similar situations throughout the country. For example, a \$5 million deal in a quality pre-kindergarten program that successfully reduces special education needs would either receive a new bond investment to expand the program as part of a commitment to funding what works or be replicated by other providers and investors across the country.

For the SIB to gain traction in the United States, Third Sector Capital Partners believes it makes sense to focus on issues that best lend themselves to the above criteria. These would include: early education, recidivism, senior healthcare, high school completion,

10 Jon Baron, "Social programs that work: Multisystemic therapy for juvenile offender." Coalition for Evidence-Based Policy. Washington, DC: 2010 Available: http://evidencebasedprograms.org/wordpress/?page_id=120.

individuals with disabilities, and workforce engagement. Although the application of pay for success programs are not restricted to these areas, finding the right criteria “match” between evidence-based social programs, government, and investor priorities will be challenging. We believe these areas have the greatest potential to yield successful bonds, the most important criterion we need to build confidence in a broader SIB market.

Challenges and Considerations for SIBs/Pay for Success Programs

A 2009 Monitor report titled *Investing for Social & Environmental Impact: A Design for Catalyzing an Emerging Industry* by Jessica Frieriech and Katherine Fulton forewarns that one of the sector’s greatest risks is “sloppy execution.”¹¹ It is imperative that as the SIB concept develops in the United States, the intermediaries involved in early stages set benchmarks for quality design. This does not mean deals are highly customized, but rather, designed to have impact *and* be replicated.

There are several challenges in implementing and scaling up SIBs, including:

Data Integrity: This is not unique to the SIB. It has been raised in many journals and reports, including in Ben Thornley and Colby Daily’s lead article of volume 6, issue 1 of the *Community Development Investment Review*. Appropriately, they state “The very practice of nonfinancial performance metrics holds the promise of building scale in community impact investing.”¹² They cite the benefits that the “traditional” investment sector has gained from using quality metrics. In particular, they highlight the Global Investment Performance Standards’ axioms to ensure quality metrics:

- Longitudinal data to reflect performance over time
- Comparison to a baseline and external benchmarks
- Independent third-party verification
- Disclosure of calculation methodologies and definitions
- Timely release and update of information

When assessing social impact, it is particularly important to establish valid counterfactuals, often via a control and experimental group in evaluations. The Peterborough pilot has incorporated these benchmarks and methodologies. It will be imperative that SIB constructs in the United States apply the same standards for evaluation.

The data collection and verification process will be demanding. Costs are still unclear for accessing and analyzing the necessary outcome metrics. However, analysts have made great strides in harnessing the data that is generated as a byproduct of running government programs. For example, organizations such as the Justice Research Center have developed an expertise in

11 Jessica Freireich and Katherine Fulton, “Investing for Social and Environmental Impact: A Design for Catalyzing An Emerging Industry. (Boston: Monitor Institute, January 30, 2009).

12 Ben Thornley and Colby Daily, “Building Scale in Community Impact Investing through Nonfinancial Performance Measurements.” Federal Reserve Bank of San Francisco: *Community Development Investment Review*, vol. 6, no. 1, 2010.

working with multiple government juvenile justice department databases. With this capability, it becomes easier to apply statistical data analysis and measure the efficacy of programs.

Sufficient Returns: The success of attracting investors will in part be driven by the potential returns. In the Peterborough pilot, the returns are targeted at 2.5 to 13 percent. However, not all programs that drive social change will have high returns. It is hoped that as the sector scales, investors will diversify their portfolios, allowing the growth of pay for success programs that have quality social outcomes with lower yields.

Redesign of Government Contracting: Combining multi-year contingency-based contracts with payouts to third-party investors conflicts with many existing state and federal funding requirements. In addition, state government contracts have historically focused on process and oversight. In the SIB construct, the contracts will focus on outcomes and less on process, leaving execution to the providers. The legal and legislative work necessary to generate an acceptable SIB contract will most likely be significant.

Establishing an Intermediary: Like any nascent innovation, there needs to be the appropriate coordination and oversight of the process. The integration of the social, financial, and legal issues is complex and, as evidenced in the United Kingdom, takes time to resolve. In the traditional capital markets, banks play a key role in intermediating, particularly for new financial innovations. In the pay for success program marketplace, intermediary organizations will need to develop to coordinate among the government, service providers, and investors. At Third Sector Capital Partners, we believe that these intermediaries will provide two key functions. The first will be to design, structure, negotiate, and execute on the bond construct. In this phase, they will play a role in arranging the investor capital, either through managing a fund directly, or acting as placement agent on the bonds. Post closing of the financing, an intermediary will be required to provide oversight for the program, ensuring independent verification of outcomes is obtained, and to arrange for capital flows between the various parties following the agreed upon terms. To accomplish the structuring and arrangement of the bonds, a new breed of organizations will need to develop, bringing together the skills to appropriately represent each of the players.

Recognizing the challenges and addressing them head-on are critical. The adaptation and application of SIBs in the United States will not be easy. It will require a disciplined process, focused on the details and sensitive to the changes that it is asking of each party from the “traditional” way of doing business.

A Vision for Transforming the Social Capital Infrastructure in the United States

In their report, “Human Services Finance for the 21st Century,” Deloitte and Touche argued that “by rethinking traditional grant making . . . investment banking could infuse capital into the nonprofit sector, while bringing inherent lending rules and accountability.”¹³

¹³ “Human Services for the 21st Century: A Blueprint for Building Stronger Children and Families”. Deloitte Development, 2009.

As a general statement, the United States is considered very receptive to innovation in the financial markets—and scaling the application of new financial instruments to a higher level. There is no reason that this could not be the case for SIBs. The flow chart on the opposite page illustrates a potential construct of a U.S. pay for success program.

SIBs could easily follow the development stages of other financial products, namely: (1) proof of concept; (2) expansion and replication; (3) structural variance; and (4) the development of impact measurements and legal construct standards. The first, proof of concept, will require replication of the U.K. experience with several transactions here in the United States. These will be highly vetted and documented programs. Being “first-to-market,” these pay for success programs will be customized to meet their unique characteristics. That said, one must be mindful to ensure that every attempt at creating standards for future transactions be considered.

Expansion and replication, the second phase, should see the beginning of investor returns on the first transactions. These successes will allow the market to perceive the value and benefits of the bonds. Initial investors will have the opportunity to recycle their returns into new programs funded through the proceeds of maturing earlier bonds. Secondary markets begin to provide rapid takeout and recycling as investors sell partially mature bonds to other investors for a premium.

At this point, structural variants should develop. Tapping specific pockets of capital, new investors will be able to select among risk categories, allowing for new social impact service models to develop. Tax incentives and philanthropic layers of “first loss” make bonds attractive to retail channels.

Finally, impact measurements and legal construct standards take hold as documentation and use of outcome metrics become widely accepted. A growing perception of combined social and financial success should develop, igniting a virtuous cycle that results in hundreds of SIB issuances. The number of issuances (and varieties) becomes large enough to support comprehensive ratings agencies, central payment clearinghouses, impact metric specialist firms, and other supporting infrastructure.

Before scoffing at the audacity of such a development, consider the now ubiquitous bank loan market. Prior to 1990, the market for lending to U.S. corporations shared many of the same characteristics that appear to constrain the pay for success program opportunity:

- All transactions were “one-offs” with no market transparency.
- They were heavily documented with highly customized performance commitments.
- There was no standardized documentation;
- Covenants restricted the ability to assign loans among potential investors; the loans remained with the bank that originally extended credit to the corporate borrower.
- No marketplace existed to trade bank loans.
- The system required credit “experts” to interpret and track performance—whole departments of specialists analyzing an issuer’s performance and adherence to agreed upon performance metrics.

Beginning in the late 1980s, banks instituted a process of creating a marketplace for loans. This required a major change in how financings were structured, one that sought standardization in performance metrics and associated contracts between the parties. By 2007, the U.S. syndicated bank loan market had grown at a rate that exceeded the country's rate of growth in gross domestic product over the same period. Today, through mutual funds, even retail investors can invest in these types of debt instruments.

Experts would agree that the increase in transparency, the standardization of performance metrics, and embedding this culture in the finance world has expanded the availability of capital for the global economy. There is no reason that such a disciplined approach to SIBs couldn't expand the capital available for the social sector.

Returning to the U.K. experience and expectations, Social Finance Ltd, one of the key partners in the Peterborough pilot, estimates the potential of SIB financing in the United Kingdom:

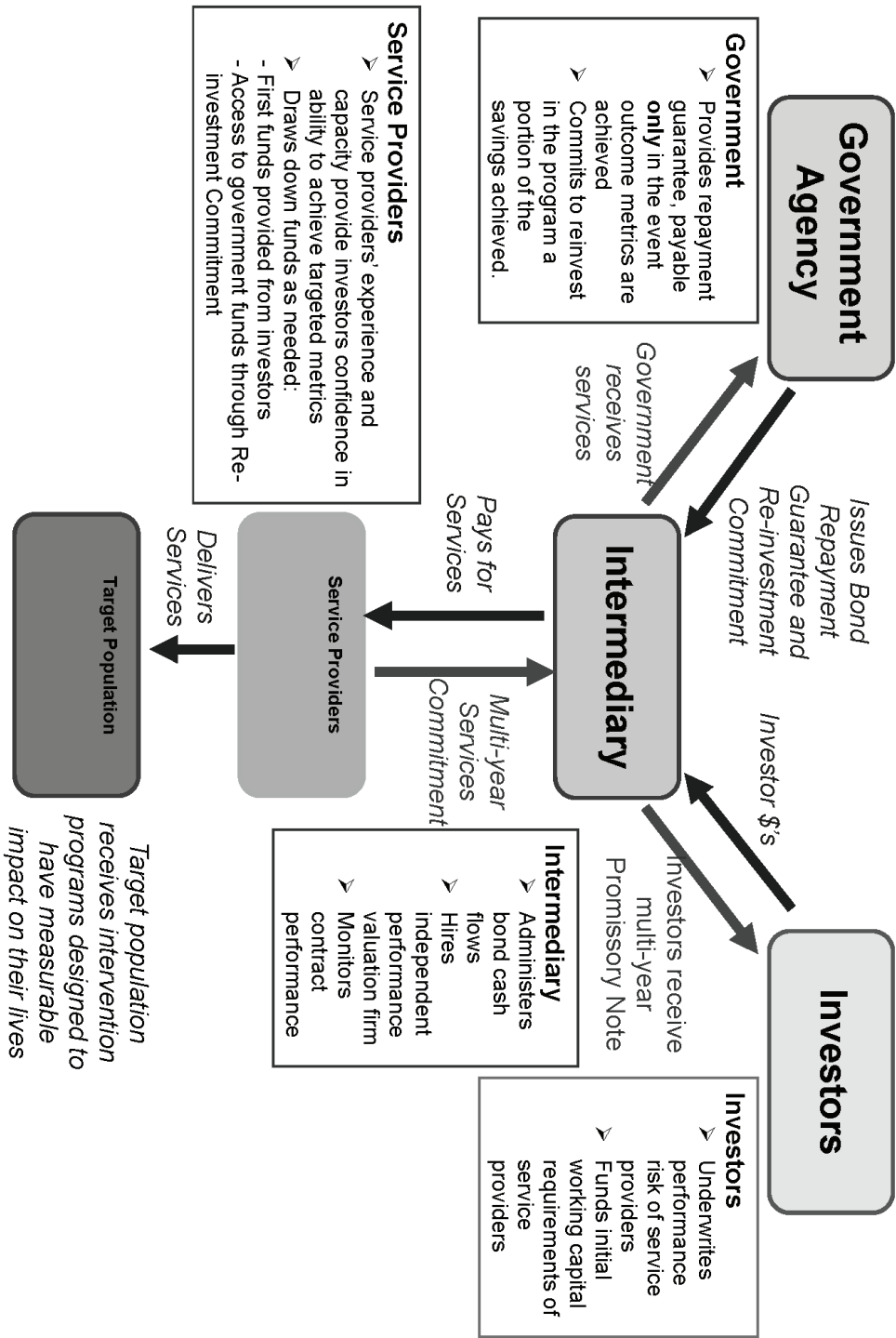
If just 5% of charity investment assets, 0.5% of institutionally managed assets and 5% of retail investments in U.K. ISAs were attracted to social investment this would unlock more than £10 billion of new finance for social projects.¹⁴

Just applying the percentages for the first two categories above to the larger US economy would equate to \$73 billion in capital available for programs that drive social impact.¹⁵ Given the challenges of today's funding environment for the nonprofit sector, the multiple benefits of SIB, and the opportunity to access new pools of capital, the social impact sector should feel compelled to investigate the development and application of the social impact bond here in the United States.

¹⁴ Emily Bolton, "Social Impact Bonds," September 2010.

¹⁵ Numbers calculated from "Foundations Today Series: Highlights of Foundation Yearbook." Foundation Center: October 2010. http://foundationcenter.org/gainknowledge/research/pdf/fy2010_highlights.pdf and Reid, Collins, Holden, Steenstra. A Review of Trends and Activities in the Investment Company Industry. Investment Company Fact Book, 50th edition. Investment Company Institute: 2010.

Figure 2. Potential U.S. SIB Construct



Drew von Glahn is Managing Director and Co-Founder of Third Sector Capital Partners a nonprofit firm, which has a mission to expand the capital availability for social enterprises. Third Sector's team develops, structures and funds initiatives that have measurable social impact. Working with government agencies, service providers and philanthropists, Third Sector is actively involved in developing the application and marketplace of Social Impact Bonds here in the United States. Previously, Mr. von Glahn was the CEO of the social venture subsidiary of the Alliance for Families and Children. Prior to spearheading FEI, Drew spent over twenty years in finance, working for such global financial firms as Credit Suisse and the predecessor firms to JP Morgan Chase. He has extensive experience in structuring debt financings, having arranged over \$30 billion in issuances, across different products and different markets. His areas of expertise include corporate and public finance, capital markets, new venture equity investing and strategic business advisory. Mr. von Glahn graduated from the Boston College Carroll School of Management with degrees in Economics and Accounting.

Caroline Whistler joined Third Sector Capital Partners after completing a Fulbright Fellowship in Brazil researching nonprofit sustainability. Previously she worked at NFF Capital Partners, where she structured growth capital campaigns for nonprofits. NFF Capital Partners is a leader in applying growth metrics and accountability to equity-like financing for high performing nonprofits. The programs on which Caroline worked helped raise \$320 million for such nonprofits as Project Health, Stand for Children and Year Up. Prior to NFF, Caroline conducted nonprofit analysis, market research and a study of sustainability for a foundation at Community Wealth Ventures, a social enterprise consulting firm. Caroline was a Robertson Scholar at Duke University where she graduated Phi Beta Kappa with a B.A. in Political Science and African Studies.